

Postsecondary Programs

Title: Equipment Policy

Reference:

Section 403.197, Federal Regulations for Carl D. Perkins Professional-technical and Applied Technology Education Act

Section 74.132, Education Department General Administration Regulations (EDGAR)

Section 521(22), Carl D. Perkins Professional-technical Education and Applied Technology Education Act

The postsecondary professional-technical institution is required to maintain a local inventory of such equipment as well as maintaining the equipment, exercising reasonable care, and safekeeping of this equipment.

Approval must be given by the Division prior to any diversion, sale, or trade-in of equipment purchased with funds provided in whole or in part by the Idaho State Board for Professional-Technical Education (SBPTE).

Definitions

“Acquisition cost” of an item of purchased equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment usable for the purpose for which it was acquired. Other charges such as the cost of installation, transportation, taxes, duty or protective in-transit insurance shall be included in or excluded from the unit acquisition cost in accordance with the regular accounting practices of the organization purchasing the equipment. If the item is acquired by trading in another item and paying an additional amount, “acquisition cost” means the amount received for trade-in plus the additional outlay. (Section 74.132, EDGAR)

“Amount received for trade-in” of an item of equipment traded in for replacement equipment means the amount that would have been paid for the replacement equipment without a trade-in minus the amount paid with the trade-in. The term refers to the actual difference, not necessarily the trade-in value shown on an invoice. (Section 74.132, EDGAR)

“Equipment” means tangible personal property having a useful life of more than two years and an acquisition cost of \$500 or more. (Section 74.132, EDGAR)

“Local education agency” means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, or any other public educational institution or agency having administrative control and direction of a Professional-Technical Education program. This term includes a State corrections educational agency. (Section 521(22), Carl D. Perkins Professional-Technical Education and Applied Technology Education Act)

“Personal property” means property of any kind except real property. It may be tangible-having physical existence, or intangible-having no physical existence, such as patents, inventions, and copyrights. (Section 74.132, EDGAR)

“Replacement equipment” means property acquired to take the place of other equipment. To qualify as replacement equipment, it must serve the same function as the equipment replaced and must be of the same nature or character, although not necessarily the same model, grade, or quality. (Section 74.132, EDGAR)

Special or Ancillary Services. Projects or programs which are supportive to Professional-Technical Education i.e., Research, Guidance, Special Populations, Exemplary Projects, Personnel Development and Curriculum Development.

“Supplies” means all tangible personal property other than equipment. (Section 74.132, EDGAR)

Title: When equipment is acquired wholly or in part with funds provided by the Division, title shall be vested in the institution and maintained on inventory until disposed of in accordance with state and/or federal regulations governing such properties by the Division.

Requesting Equipment

In order to purchase equipment and receive reimbursement from the Division, the institution must secure prior approval. Only the specific number and kind of approved items in the original application may be purchased unless an amendment has been approved by the appropriate program manager. Approval of an amendment must be in writing before a purchase is made. Changes may be expected because of price increases, recommendations by advisory committees, obsolescence, or other reasons. All amendments for purchase of equipment should be requested prior to April 1.

Actual Equipment Purchase

The institution is responsible for purchasing equipment approved by the Division for use in professional-technical programs. All local and state laws, regulations and procedures must be followed in the purchase of equipment. (For example, if local regulations require formal bids, then formal bids must be obtained.) After an institution has been notified that equipment has been approved for purchase, such equipment must be purchased or a signed purchase order shall be executed by April 1 of the current fiscal year. Invoices for equipment must be received and paid prior to June 1 of the current fiscal year, or reimbursement may be disallowed and the equipment request may void.

All equipment purchased with federal funds provided by the Division must meet all federal and state occupational safety and health administration rules and regulations.

Submitting Claim for Equipment Purchased

All reimbursement claims for approved equipment must be submitted no later than June 1. Vo-Ed Form #25 (Reimbursement Claim and Inventory Record) must be completely and accurately submitted to the Division. List all items by program/project only. Put only items for one program/project on a Vo-Ed Form #25. A paid invoice must be on file at the institution and retained for compliance with state and federal regulations.

Use of Equipment Purchased with Funds Provided by the Division

The institution shall retain and use all equipment in an approved professional-technical program as long as there is a need for the purpose intended for such equipment. Equipment must be used in an approved professional-technical program or for special professional-technical projects and/or ancillary services.

Equipment purchased with federal funds provided in whole or in part by the Division, when not being used to carry out the purposes for which it was purchased, may be used for other Professional-Technical Education purposes, if the acquisition of the equipment was reasonable and necessary for the purpose of conducting a properly designed project or activity.

Equipment purchased with federal funds provided in whole or in part by the Division when not being used to carry out the purposes for which it purchased or other Professional-Technical Education purposes may be used for other instructional purposes if: (a) the acquisition of the equipment was reasonable and necessary for the purpose of conducting a properly designed project or activity; and (b) the other use of the equipment is after regular school hours or on weekends.

The use of the equipment purchased with federal funds provided in whole or in part by the Division when not being used to carry out the purposes for which it was intended must: (a) be incidental to the use of that equipment for the purposes for which it was purchased; (b) not interfere with the use of that equipment for the purposes for which it was purchased; and not add to the cost of using that equipment for the purposes for which it was purchased. (Section 403.197, Federal Regulations for Carl D. Perkins Professional-technical and Applied Technology Education Act)

Equipment Control System to be Maintained

A control system for all equipment purchased in whole or in part with Professional-Technical Education funds shall be in effect by the institution to insure adequate safeguards for the prevention of loss, damage, and theft of the equipment. Any loss, vandalism, or theft of equipment shall be investigated and documented by local police or law enforcement officials.

The institution shall be responsible for replacing or repairing equipment which is lost, damaged, stolen, or destroyed.

Equipment Maintenance

Adequate maintenance procedures shall be implemented by the institution to keep the equipment in good working condition and repair. The cost of such maintenance is borne solely by the institution.

Inventory Control

Procedures for managing equipment (including replacement equipment) until transfer, replacement, or disposition takes place shall, at a minimum, meet the following requirements:

Property records shall be maintained accurately. For each item of equipment, the records shall include:

- Description of the equipment, including manufacturer's model number, if any;
- Identification number, such as the manufacturer's serial number, and
- Identification of the grant under which the recipient acquired the equipment.

The information needed to calculate the Federal share of the equipment include:

- Acquisition date and unit acquisition cost;
- Location, use and condition of the equipment, and the date the information it was reported, and
- Pertinent information on the ultimate transfer, replacement, or disposition of the equipment.

A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

Where equipment is to be sold and the Federal Government is to have a right to part or all of the proceeds, selling procedures shall be established which will provide for competition to the extent practicable and result in the highest possible return. (Section 74.140, EDGAR)

Disposition or Diversion of Equipment

When there is no longer a need for such equipment to accomplish the purpose of the program or if the equipment becomes worn out or obsolete, the institution shall notify the Division of this fact and request disposition instructions and specific policies governing the particular piece of equipment (Vo-Ed Form #23a). **NO EQUIPMENT IS TO BE DIVERTED, SOLD, OR TRADED WITHOUT WRITTEN PERMISSION FROM THE DIVISION.** The Division will determine the disposition of all equipment purchased with PTE funds.

Sale. The Division may or may not require that money be refunded for its share of the proceeds of the sale of equipment. If a refund is required, it shall be at a rate of the original cost to the institution less the depreciation.

Trade-in. The value of equipment traded will be subtracted from the cost of the new equipment purchased. The Division will calculate the amount of reimbursement on the net cost to the institution. The inventory value of the new equipment will be the trade-in

value plus the institution cost plus the Division share and equal to the purchase price with no trade-in. The following example demonstrates this method:

New equipment cost	\$900
Trade-in value of equipment traded	-200
Net cost	\$700

Inventory value of new equipment equals:

Trade-in value	\$200
Division reimbursement	+329
INSTITUTION cost	+371
Inventory value	\$900

Termination of Program

When a professional-technical program is terminated or temporarily discontinued the Division will determine the time and method of disposition of the equipment.

When written notification provides reasonable assurance that a professional-technical program will be re-instated the school year following a program termination, a maximum period of one year may be allowed before disposition of equipment is undertaken.

The Division will determine the method of depreciation and amount due the federal or state government and notify the institution accordingly. The value of such equipment will be determined on the basis of the sale price in case of a bona fide sale or the fair market value in the case of discontinuance of use, or diversion for other than Professional-Technical Education purposes.

The actual disposition of the equipment may be accomplished by either of the following methods:

The institution shall return a cash refund to the Division

The Division shall credit the institution in the amount of its share at the time of disposition of equipment and transfer such equipment to another professional-technical program or location.

The Division retains the option to transfer any or all equipment purchased solely with State and/or Federal funds. The value of the equipment will be determined as of June 30 of the fiscal year when the professional-technical program ceased operation. The value of all equipment shall be either the cash value as determined by the supplier of the equipment or the estimated depreciated value based on the following policy, whichever is higher.

All furniture, fixtures, desks, chairs, or similar equipment shall be based on a straight line depreciation method 20 years or 5 percent per year with no estimated salvage value.

All instructional machines such as power driven saws, grinders, drill presses, all types of welders, engine testing equipment, typewriters, calculators, adding machines,

duplicating machines, washing machines, refrigerators or other equipment which may fall into this grouping, shall be based on a straight line depreciation method of 10 years or 10 percent per year with no estimated salvage value.

All computers and computer hardware such as monitors and printers shall be based on a straight line depreciation method of 3 years or 33 percent per year with no estimated salvage value.

All hand tools such as wrenches, and screwdrivers, and teaching aids such as tapes, and transparencies, or other durable teaching aids shall be based on a straight line depreciation method of 5 years or 20 percent per year with no estimated salvage value.

In determining the fair market value of equipment, the Division shall have the prerogative to determine the specific category and the depreciated value of the equipment to be disposed of.

Forms:

Reimbursement Claim and Inventory Record

Contact Dan Petersen, Director of Research, at 208-334-3216 or dpeterse@pte.idaho.gov .

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